

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**SB 957 – HB 1324**

April 6, 2010

**SUMMARY OF AMENDMENT (016110):** Deletes the language of the original bill. Defines the term “all-terrain vehicle” for purpose of titling and registration. Authorizes the Department of Revenue (DOR) to register all-terrain vehicles. Creates a new license plate category for all-terrain vehicles. Defines the terms “all-terrain vehicle plate” and “all-terrain vehicle license plate” for the purpose of assessing registration fees. Establishes the registration fee for all-terrain vehicles equal to \$7.00 plus the cost of manufacturing the plate. Of the \$7.00 portion, \$5.00 will be earmarked for trail construction and maintenance and land acquisition for off-highway vehicles; \$1.00 shall be allocated to the Tennessee Association of Rescue Squads; and \$1.00 shall be allocated to the Tennessee Children’s Hospital Trauma Fund. Authorizes cities or municipalities by ordinance to charge up to \$25.00 for each registration; and counties by resolution to charge up to an additional \$25.00 for each registration. Specifies authorized use of all-terrain vehicles, as well as uses which are prohibited. Establishes a Class C misdemeanor penalty for specified unauthorized uses. Authorizes local government jurisdictions to prohibit use of all-terrain vehicles by lawfully enacted resolution.

**FISCAL IMPACT OF ORIGINAL BILL:**

MINIMAL

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Increase State Revenue –**

**\$2,600/Recurring/Department of Revenue**

**\$5,000/Recurring/Earmarked for trail construction and maintenance,  
and land acquisition for off-highway vehicles**

**\$1,000/Recurring/Tennessee Association of Rescue Squads**

**\$1,000/Recurring/Tennessee Children’s Hospital Trauma Fund**

**Increase State Expenditures - \$17,200/One-Time/General Fund**

**\$2,600/Recurring/General Fund**

**Increase Local Revenue - \$50,000/Permissive**

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Assumptions applied to amendment:

- According to the Department of Safety (DOS), this bill as amended will have no fiscal impact upon the Department.
- There will not be a sufficient number of prosecutions for state or local government to experience any significant increase in revenues or expenses.
- According to DOR, the Vehicle Services Division, approximately 1,000 plates and registrations would be issued each year.
- DOR indicates the manufacturing cost is \$2.55 per license plate; therefore, the state registration fee for all-terrain vehicles is estimated to be \$9.55 each (\$2.55 for the cost for the plate + \$7.00 as proposed = \$9.55).
- The recurring increase to state expenditures is estimated to be \$2,600 per year (1,000 plates x \$2.55 = \$2,550).
- According to DOR, the Information Technology Resources Division, software and computer modifications would be required. The associated one-time increase to state expenditures is estimated to be \$17,200.
- The permissive increase to local government revenue is estimated to be \$50,000 per year [1,000 plates x (\$25.00 county fee + \$25.00 city fee) = \$50,000].
- The recurring increase to state revenue is estimated to be \$9,600 per year (1,000 plates x \$9.55 state fee = \$9,550). Of this amount, \$2,600 will be allocated to DOR for cost of manufacturing plates; \$5,000 will be earmarked for trail construction and maintenance and land acquisition for off-highway vehicles; \$1,000 will be allocated to the Tennessee Association of Rescue Squads; and \$1,000 will be allocated to the Tennessee Children's Hospital Trauma Fund.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/rnc